

Commission on Streamlining Government

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ADVISORY GROUP ON EFFICIENCY AND BENCHMARKING

MINUTES MEETING OF OCTOBER 26, 2009 APPROVED 11/12/09

I. CALL TO ORDER

A meeting of the Advisory Group on Efficiency and Benchmarking was held on Monday, October 26, 2009, in Senate Committee Room E at the State Capitol in Baton Rouge, Louisiana. The Chairman, John Kennedy, called the meeting to order at 10:03 A.M.

II. ROLL CALL

The secretary called the roll and the following was noted:

MEMBERS PRESENT

John Kennedy, Chairman
Leonard Hardman, Member
Jim Napper, Member

MEMBERS ABSENT

Jeb Bruneau, Member
Ron Gomez, Member

WITNESSES PRESENT

Shirley Bowler, Department of Insurance
Charles Castille, Department of Health and Hospital
Randy Davidson, Department of Health and Hospital
Joe Donchess, LNHA
Berkley Durbin, Maternal and Child Health
Mike Edmonson, Louisiana State Police
Lance L. Herrin, Department of Insurance
Sean Prados, Hospital Association
Paul Salles, Hospital Association

STAFF PRESENT

Greg Waddell, Coordinator
Chris Adams, Attorney
Janice Hughes, Secretary

III. APPROVAL OF MINUTES

Mr. Napper made a motion to approve the minutes from the 10/06/09 meeting. Without objection, the minutes were approved.

IV. DISCUSSION

Shirley Boweler, Deputy Commissioner of Management and Finance at the Department of Insurance, stated that when she was hired last March as Deputy Commissioner at the department, one of the goals the Commissioner of Insurance set for her was to improve the efficiency of the phone system within the department and he recommended her to check out the phone system that was in use at the Secretary of State's office. Upon doing that, she found that the phone system there included an enormous number of efficiencies that the Department of Insurance did not have in terms of features along with a significant cost savings overall. She further stated that this new phone system would be powered through the phone lines so it would not be necessary to have the phones plugged in, they would own their own equipment and would eliminate the lease payments for the equipment and would also reduce the number of phone lines.

Lance Herrin, Deputy Commissioner of Management and Finance at the Department of Insurance, stated that the new phone system cost comparison savings would be right at a million dollars over five years. He further stated their phone service is currently contracted with OTM (Office of Telecommunications) a state agency.

Mr. Kennedy asked who did they need permission from for the Department of Insurance to go to their own phone system and Mrs. Boweler stated that they need permission from the Division of Administration. Mr. Herrin added that they had requested it in their budget last year and was it not funded and/or approved and they were going to request it again in their budget this year.

Mr. Kennedy stated that the commission would not take action until next week because no one from OTM (Office of Telecommunications) or the Division of Administration were present to state their point of view.

Mr. Kennedy presented a motion that the Louisiana Streamlining Government Commission recommends to the governor and the Louisiana legislature that all the departments and agencies in Louisiana state government be required to obtain the approval of the Joint Committee on the Budget of the Louisiana Legislature in order to retain an outside consultant in a contract equal to or greater than fifty thousand dollars per year. The application for approval of the Joint Committee shall explain the following:

1. Why the department or agency needs to hire an outside consultant?
2. How the service provided by the outside consultant conforms to the mission of the department of agency?
3. Why the service of the outside consultant cannot be performed by a regular employee or employees of the department or agency?
4. How the outside consultant was selected?
5. What action the department or agency will take to satisfy the need that the outside consultant is being hired to address if the Joint Budget Committee does not approve the contract?

Mr. Kennedy further stated that the purpose of this recommendation is obviously to try to get control of the number of outside consultants that are being hired in state government and the goal is to reduce it by twenty five percent. Without objection, the motion was approved.

Mr. Kennedy stated that based on testimony at the last meeting from the Department of Revenue regarding collection of state sale taxes he presented a motion that the Louisiana Streamlining Government Commission recommends to the governor and the Louisiana legislature that the Department of Revenue form a compact with local and political subdivisions who would like to participate to have the local political subdivisions while they are auditing for local government sales tax to also audit for state sales tax and be paid a reasonable fee to be negotiated between the two. Without objection, the motion was approved.

Mr. Kennedy stated that the State Police Weights and Standards Mobile Police enforces compliance with weights and standards laws and the Department of Transportation does the same things but do it at twelve fixed sights throughout the state and a suggestion has been made that those two services be combined.

Mike Edmonson, Superintendent of State Police, stated that he believes that it should be under on agency no matter who that agency is.

Mr. Kennedy presented a motion that the Louisiana Streamlining Government Commission recommends to the governor and the Louisiana legislature that they transfer the fixed sights scale responsibilities of the Department of Transportation to the Louisiana State Police and that state police be directed to achieve a savings of at least twenty five percent in the second year through the consolidation of the responsibilities. Without objection, the motion was approved.

Mr. Kennedy stated that the state is spending thirty eight million dollars on emergency ambulance service and asked Mr. Castille if the state had a contract with a particular company or with several companies.

Charles Castille stated that with medicaid any provider who is licensed, enrolled in their program and meet the standards for a emergency ambulance can provide services and the pay is based on a rate and a provision that was passed in the legislature many years ago that requires the state to pay them at the rates that medicare pays.

Mr. Kennedy stated that the state is spending sixty million dollars a year on transportation and it's appears that we will have to make some reduction on our medicaid program which will require us to prioritize. Top priority is medical treatment in hospitalization, acute care, care for chronic disease and transportation is important but less important than the actual care.

Randy Davidson stated that for non emergency, non ambulance transportation we do have a consent decree, Pitt verses Stewart which requires that we transport to medical appointments.

Mr. Kennedy stated that DHH has proposed that we roll back all rates to 2006 levels and wanted to know how much would the state save.

Charles Castille stated that in 2006-2007 for emergency ambulance transportation the state spent about twenty eight and a half million dollars and comparing it to what is spent today it would be a ten million dollar reduction. For non emergency ambulance transportation the state spent thirteen point eight million dollars last year and in 2006-2007 was nine point eight million dollars and the savings would be four million dollars. For non emergency, non ambulance the state spent about

eight point six million dollars last fiscal year and the state spent eight point four million dollars in 2006-2007.

Mr. Kennedy stated that action would not be taken up today on recommendations but would try to take it up again next week.

V. ADJOURNMENT

Mr. John Kennedy adjourned the meeting at 11:59 A.M.

November 12, 2009

John Kennedy, Chairman

Date Approved